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8 Proposed Attorneys for State Court Receiver
9 CORDES & COMPANY, LLC THROUGH
10 AND BY BELLANN RAILE

11 **UNITED STATES BANKRUPTCY COURT**
12 **CENTRAL DISTRICT OF CALIFORNIA, SANTA ANA DIVISION**

13 In re
14 THE SOURCE HOTEL, LLC,
15 Debtor.

Case No. 8:21-bk-10525-ES

Chapter 11

**FURTHER STIPULATION AMONG
DEBTOR AND STATE COURT
RECEIVER REGARDING STATE COURT
RECEIVER'S MOTION FOR RELIEF
FROM AUTOMATIC STAY (ACTION IN
NON-BANKRUPTCY FORUM)**

DATE: 5/20/2021
TIME: 10:00 am
PLACE: Courtroom 5A

[RELATES TO DOCKET NO. 101]

Debtor The Source Hotel, LLC (“Debtor”), and State Court Receiver Cordes & Company, LLC through and by Bellann Raile (“Receiver”), through and by their attorneys of record stipulate as follows:

1. On or about February 8, 2021, Creditor Shady Bird Lending, LLC filed its complaint against the Debtor in the Superior Court of California, County of Orange (the “State Court”), commencing Case No. 30-2021-01183489-CU-OR-CJC (the “State Court Action”).

2. On February 17, 2021, the State Court entered an Order granting an *Ex Parte* Order Appointing Receiver and Order To Show Cause And Temporary Restraining Order—Rents, Issues, and Profits (“Receivership Order”), pursuant to which Receiver was appointed, and a receivership estate was created.

3. On or about, February 26, 2021, the Debtor filed a voluntary petition under Chapter 11 of Title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Central District of California, Santa Ana Division (the “Bankruptcy Court”) as Case No. 8:21-bk-10525-ES (the “Bankruptcy Case”).

4. On or about March 25, 2021, Shady Bird filed a Motion for Order Excusing State Court Receiver From Turnover of the Assets Pursuant to Bankruptcy Code section 543 in the Bankruptcy Case (the “Excuse Turnover Motion”) [Docket No. 51]. The Debtor filed an Opposition to the Excuse Turnover Motion and supporting declarations [Docket Nos. 65-66], and Shady Bird filed a reply and supporting declaration [Docket No. 72]. Following a hearing on April 15, 2021, the Excuse Turnover Motion was granted on an interim basis and continued to June 3, 2021 at 2:00 p.m.

5. On April 28, 2021, Shady Bird, the Debtor and the Receiver entered into a Stipulation Among Debtor, Receiver and Creditor Shady Bird Lending, LLC Authorizing Receiver To Employ Attorney And To Obtain Relief From Stay For The Limited Purpose of Authorizing Receiver To Seek Approval From State Court To Retain Receivership Counsel (the “Stipulation”). The Stipulation was filed on the same day as Docket No. 100, along with a Notice of Motion and Motion for Relief From the Automatic Stay Under 11 U.S.C. § 362 (with supporting declarations (Action in

1 Non-Bankruptcy Forum) (the “RFS Motion”) as Docket No. 101, and a Supplemental Notice of
2 Hearing To Be Held Remotely Using ZoomGov Audio and Video (“Supplemental Notice”, together
3 with the Stipulation, and RFS Motion, the “Motion Documents”) as Docket No. 102, with a hearing
4 set for May 20, 2021 at 10:00 a.m.

5 6. The Motion Papers were served on the NEF list electronically, the top 20 creditors list
6 filed pursuant to Federal Rule of Bankruptcy Procedure 1007(d) by first class mail, the Debtor by
7 first class mail, and Judge Smith by overnight delivery. The proof of service for the Motion Papers
8 states that the Debtor was served by U.S. Mail as follows: “The Source Hotel (Debtor) 6988 Beach
9 Boulevard, Suite B-215, Buena Park, CA 90621.” Inadvertently, the proof of service did not identify
10 the Debtor’s officer, managing agent, or other agent.

11 7. On May 18, 2021, Peter Jazayeri, proposed counsel for the Receiver reviewed the
12 tentative ruling for the RFS Motion that was posted on the Court’s website. The Court’s tentative
13 ruling states that it will “Continue hearing to June 10, 2021 at 10:00 a.m. to allow Movant to correct
14 service issue: Debtor was not served in accordance with FRBP 7004(b)(3) as required by FRBP
15 9014 for contested matters as this one. Tentative Ruling for 6/10/21 Hearing: Grant motion with
16 4001(a)(3) waiver if unopposed.” (the “Tentative Ruling”).

17 8. Proposed counsel for the Receiver then contacted the Debtor’s counsel, Juliet Oh, to
18 discuss the Tentative Ruling. Ms. Oh informed the Receiver’s proposed counsel that she could not
19 appear at the May 20, 2021 due to another matter. However, the Debtor, through its counsel, agreed
20 to enter into this Stipulation to request that the Court grant the RFS Motion at the hearing on May
21 20, 2021, notwithstanding any defect in the service of the RFS Motion on the Debtor, as the Debtor
22 and its counsel received timely service of Motion Papers and waives any argument concerning
23 defective service of such Motion Papers, the Debtor has stipulated to the relief sought in the RFS
24 Motion, and the Debtor does not oppose the relief sought in the RFS Motion.

25 The Receiver respectfully submits that her failure to identify a managing agent for the
26 Debtor on the proof of service for the Motion Papers was inadvertent, that the Debtor and its counsel
27 did, in fact, receive timely service of the Motion Papers, that the Receiver requires Court-approved
28

counsel for the June 3, 2021 Excuse Turnover Motion hearing and matters related thereto, and therefore requests that the Court grant the RFS Motion at the hearing on May 20, 2021.

WHEREFORE, based on the foregoing paragraphs, the Debtor and Receiver respectfully request that the Court enter an order:

(i) approving the Stipulation and granting the RFS Motion at the hearing on May 20, 2021; and

(ii) granting such other and further relief as the Court deems just and appropriate under the circumstances.

DATED: May 18, 2021

JAZ, A PROFESSIONAL LEGAL CORPORATION

By: 

Peter F. Jazayeri

Proposed Attorneys for State Court Receiver
CORDES & COMPANY, LLC BY AND THROUGH
BELLANN RAILE

DATED: May 18, 2021

**CORDES & COMPANY, LLC BY AND
THROUGH BELLANN RAILE**

By: 

Bellann Raile

State Court Receiver

DATED: May 18, 2021

LEVENE, NEALE, BENDER, YOO & BRILL L.L.P.

By: 

Juliet Y. Oh

Attorneys for Debtor
THE SOURCE HOTEL, LLC

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is: 1100 Glendon Avenue, Suite 1500, Los Angeles, CA 90024.

A true and correct copy of the foregoing document entitled (*specify*): **FURTHER STIPULATION AMONG DEBTOR AND STATE COURT RECEIVER REGARDING STATE COURT RECEIVER'S MOTION FOR RELIEF FROM AUTOMATIC STAY (ACTION IN NON-BANKRUPTCY FORUM)** will be served or was served (**a**) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (**b**) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On May 18, 2021, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL:

On May 18, 2021, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL

(state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on May 18, 2021, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page


I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

May 18, 2021

Toni Gesin

Date

Printed Name


Signature

ATTACHMENT TO F 9013-3.1.PROOF.SERVICE

Via NEF

- **Attorney for Debtor: Ron Bender** rb@lnbyb.com
- **Christopher G. Cardinale** ccardinale@agclawfirm.com, mgonzalez@agclawfirm.com
- **Michael G Fletcher** mfletcher@frandzel.com, sking@frandzel.com
- **Amir Gamliel** amir-gamliel-9554@ecf.pacerpro.com, cmallahi@perkinscoie.com; DocketLA@perkinscoie.com
- **Robert P Goe** kmurphy@goeforlaw.com, rgoe@goeforlaw.com; goeforecf@gmail.com
- **Attorney for U.S. Trustee: Nancy S Goldenberg** nancy.goldenberg@usdoj.gov
- **Attorney for Receiver in State Court: Peter F Jazayeri** peter@jaz-law.com
- **Attorney for Shady Bird: Daniel A Lev** dlev@sulmeyerlaw.com, ccaldwell@sulmeyerlaw.com; dlev@ecf.inforuptcy.com
- **Grant A Nigolian** grant@gnpclaw.com, process@gnpclaw.com; grant.nigolian@gmail.com
- **Attorney for Debtor: Juliet Y Oh** jyo@lnbrb.com, jyo@lnbrb.com
- **Ho-El Park** hpark@hparklaw.com
- **Attorney for Shady Bird: Ronald N Richards** ron@ronaldrichards.com, morani@ronaldrichards.com
- **United States Trustee (SA):** ustpreion16.sa.ecf@usdoj.gov

Via U.S. Mail

The Source Hotel, LLC (Debtor)
Attn: Donald Chae (Manager, President,
Authorized Agent)
6988 Beach Boulevard, Suite B-215
Buena Park, CA 90621

Ted Sul (Creditor)
Newgens, Inc.
14241 Foster Road
La Mirada, CA 90638

Rachel Castro (Creditor)
Cabrillo Hoist
P.O. Box 3179
Rancho Cucamonga, CA 91729

Solid Construction Company, Inc. (Creditor)
883 Crenshaw Blvd.
Los Angeles, CA 90005

WESCO Distribution, Inc. (Creditor)
6251 Knott Ave.
Buena Park, CA 90620

Harbor All Glass & Mirror, Inc. (Creditor)
1926 Placentia Ave.
Costa Mesa, CA 92627

Edward Riggs (Creditor)
Diablo Consulting
13200 Crossroads Parkway N, Ste. 115
City of Industry, CA 91746

Ace Tek Roofing Co. (Creditor)
747 S. Ardmore Ave., Ste. 405
Los Angeles, CA 90005

Briana Ochoa (Creditor)
Morrow Meadows
231 Benton Court
City of Industry, CA 91789

Evergreen Electric Construction, Inc. (Creditor)
629 Grove View Lane
La Canada, CA 91011

Steve Ruck (Creditor)
Chefs Toys
18430 Pacific Street
Fountain Valley, CA 92708

Stumbaugh & Associates, Inc. (Creditor)
3303 N. San Fernando Blvd.
Burbank, CA 91504

HBA Procurement, Inc. (Creditor)
3216 Nebraska Ave.
Santa Monica, CA 90404

Roger J. Fugit (Creditor)
OJ Insulation LP
600 S. Vicent Ave.
Azusa, CA 91702

DKY Architects (Creditor)
15375 Barranca Parkway, Suite A-210
Irvine, CA 92618

Dooman Jun (Creditor)
Master Glass
2225 W. Pico Blvd., Unit C
Los Angeles, CA 90006

Cecilia Dinh (Creditor)
Universal Flooring Systems
15573 Commerce Lane
Huntington Beach, CA 92649

L2 Specialties (Creditor)
3613 W. Macarthur Blvd., #611
Santa Ana, CA 92704

Ficcadenti Waggoner (Creditor)
16969 Von Karman Ave., Ste. 240
Irvine, CA 92606

Retrolock Corporation (Creditor)
17915 Railroad St.
City of Industry, CA 91748

American Engineering Laboratories, Inc. (Creditor)
P.O. Box 1816
Whittier, CA 90609

Christopher G. Cardinale
Alvarez-Glasman & Colvin
13181 Crossroads Pkwy N, Ste 400
City of Industry, CA 91746

Via Overnight Delivery

Honorable Erithe A. Smith
US Bankruptcy Court – Santa Ana Division
Ronald Reagan Federal Building
411 West 4th Street, #5040
Santa Ana, CA 92701